



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

Outgoing  
50190064

August 11, 2010

### CERTIFIED RETURN RECEIPT 7005 0390 0000 7507 4535

Darrell Boepple  
Black Gold Organic Fertilizer  
3802 47<sup>th</sup> Street  
Lubbock, Texas 79413

Subject: Review of Reclamation Surety, Black Gold Organic Fertilizer, Rhae-Rae, S/019/0064, Grand County, Utah

Dear Mr. Boepple:

The last surety estimate for the Rhae-Rae mine was \$20,700 escalated to July 25, 2010. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased to 24,600 or \$25,200. The average reclamation costs are outlined below:

#### 3-year escalation (2013)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,400.00	\$7,400.00
Additional Acres Disturbance	4	\$4,400.00	\$17,600.00
TOTAL	5		\$25,000.00

#### 5-year escalation (2015)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,500.00	\$7,500.00
Additional Acres Disturbance	4	\$4,400.00	\$17,600.00
TOTAL	5		\$25,100.00



Darrell Boepple  
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Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov) for information about submitting the additional bond. Your current bond is in the form of cash on deposit with Zions Bank through the Utah State Treasurer. You may increase the cash deposit, or you may submit a letter of credit, a certificate of deposit, or a surety bond either for the increased amount or for the entire amount. If you do another form of surety for the entire amount, the Division would then release the cash deposit. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector Tom Munson at 801-538-5321. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

Please provide the additional surety or perform the reclamation no later than November 16, 2010. Failure to do so could result in withdrawal of the Notice of Intention and forfeiture of the reclamation surety.

Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact me at 801-538-5261.

Sincerely,



Paul B. Baker  
Mining Program Manager

PBB:tm:pb

cc: [will\\_stokes@utah.gov](mailto:will_stokes@utah.gov)

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